

SUBJECT: **Environmental Protection Policy**

APPLIES TO: LII and its operating subsidiaries, regardless of location

APPROVED BY: CEO on Original Date issued/Mark Yohman, LII Director Environmental Affairs

TRACKING:	ORIGINAL DATE ISSUED	REVISION DATE	POLICY NO.	SUPERSEDES:	PAGES:
	January 15, 1993	N/A	N/A	N/A	2

Environmental Protection Policy

STATEMENT OF PURPOSE:

This policy provides the key principles and organizing framework for Lennox International’s (“LII”) approach to environmental issues.

SCOPE

This policy applies to LII and its operating subsidiaries, regardless of location.

POLICY

Lennox International is dedicated to protecting the environment in which we live and to conserving the natural resources we use and will conduct our business accordingly.

- Complying with all applicable laws and regulations governing environmental protection.
- Maintaining a comprehensive environmental compliance program, including standards, procedures and audits.
- Educating, training and motivating employees to conduct their activities in an environmentally responsible manner.
- Incorporating environmental considerations within the criteria by which projects, products, processes and purchases are evaluated.
- Encouraging the use of non-polluting technologies and waste minimization in the design of products and processes.
- Promoting the conservation of resources and protection of the environment through recycling, reuse and proper disposal of materials.
- Anticipating and responding to public concerns about potential hazards and impacts of operations, products, wastes or services, including those of global significance.

- Continuing to improve environmental performance, taking into account technical developments, scientific understanding, consumer needs and community expectations.

Implementation of this policy is a primary responsibility of Lennox International, its subsidiaries and each facility manager, as well as their employees.



Safety and Occupational Health Policy

The safety and health of the people that make up Lennox International is of critical importance to our organization. We do not accept accidents, or the injuries and illnesses that result from them, as a cost of doing business. Our strong belief is that *accidents are preventable*.

Lennox International's commitment to the safety and well being of all its personnel and contractors is expressed through the following key objectives:

- It is management's charter to ensure that safety and health hazards are treated through a systematic risk control management process: identify, assess, control, and monitor. This means that procedures and equipment to control hazards will be well conceived technically, implemented with conviction, enforced, and audited for effectiveness. Compliance with governmental laws and standards will be a part of this process.
- Management will devote the necessary personnel resources and adopt practices which foster employee participation to help meet their responsibility for safety. Excellence in this discipline requires the planned and actively coordinated involvement of all levels of personnel in an organization.
- Each individual will follow established procedures and be held accountable for the safety responsibilities they are given. Each individual is also responsible for prompt reporting to management of any work practices or conditions that are felt to be unsafe or hazardous. It is the incumbent responsibility of management to act quickly on all such reports.
- The risk control management process of Lennox International will be treated as a managed business function. To this end, a business planning method will be adopted and followed by management, and health and safety will be an integral consideration of the overriding business decisions of the enterprise. The business planning method will establish performance targets and metrics along with a continuous improvement orientation.
- We will undertake the education and training of personnel as a means to support and facilitate the desired level of performance. Our intent is to create an environment in which employees will be motivated to conduct their activities with proper concern for themselves and others.
- Our process will incorporate safety and health considerations within the criteria by which product design and manufacturing performance are evaluated.
- Management will provide meaningful and open communication on safety and health matters at all levels in the organization.
- Management will require all contractors and visitors to abide by all procedures and rules that have been formulated in the interest of safety and health.
- We will be mindful of and participate in the development of responsible laws, regulations, and standards that promote improved safety methods and protective equipment.

Our mindset is that excellence in the safety area requires an organization to manage related programs and activities in the same fashion that it aspires to manage the overall business. No job is so important that we can not take time to perform our work safely and with proper regard for our surroundings.

Lennox International Inc CDP 2017 Climate Change Feedback Chart

This feedback chart presents the score Lennox International Inc received for CDP's 2017 climate change questionnaire. The score is benchmarked against peer companies from the Industrials sector and the Building Products industry. A breakdown of the score into categories of different areas of management, is presented on the reverse.

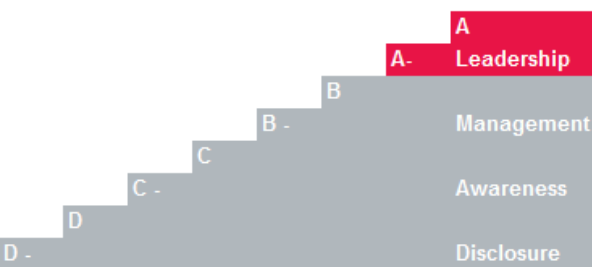
Lennox International Inc 2017 score

A-

Lennox International Inc Score Level

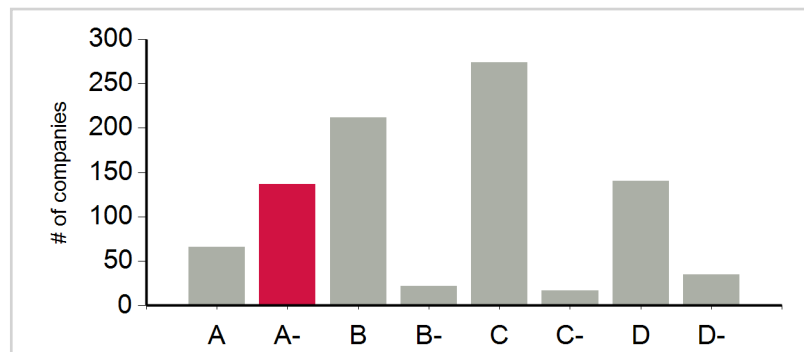
Leadership

Score Levels



F: Failure to provide sufficient information to CDP to be evaluated for this purpose

Sector benchmark



Score summary statement

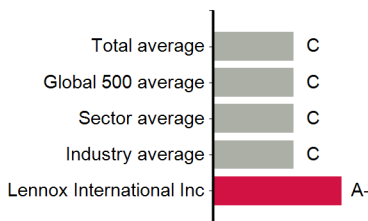
This excellent result indicates Lennox International Inc has implemented a range of actions to manage climate change, both in its own operations and beyond. Companies at Leadership level show evidence of at least one of the following: meaningful targets and emissions reduction activities and verified or assured emissions data.

The bar chart above shows the count of scores achieved by sector peers in the Industrials sector. The band of Lennox International Inc is coloured red

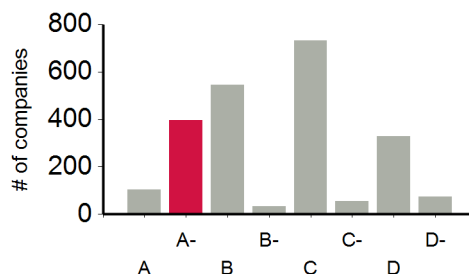
Benchmarking 2017 climate change scores:

Average CDP scores

Final score



Lennox International Inc overall benchmark



Lennox International Inc achieved an A-, which is the score 18% of companies responding to CDP achieved, and 17% of companies within Industrials sector. Companies scoring an A- find themselves within the 22% highest scoring companies, and within the 21% highest scoring companies in their sector. On the chart on the far left, the score Lennox International Inc achieved is benchmarked against average scores within its sector, sample and industry, and against the overall average score. The graph on the left shows the score distribution of all companies responding to CDP in 2017.

Lennox International Inc reported the following information:

Targets have not been verified by SBTi
An internal price of carbon is not in use
A climate change risk process has been implemented
The CDSB framework is not used in reporting response to climate change

Scope 1 emissions are disclosed
Scope 2 emissions are disclosed
The highest responsibility for climate change lies with the board
There is engagement with value chain

Next Steps

CDP responses are scored by CDP's scoring partner organisations, using the [CDP Climate Change Scoring methodology](#)

[Read more on responding to CDP here and find out how other companies responded](#)

[CDP's services](#) help improve climate change performance

[Find out more about our campaigns](#)

[Learn more about the SBTi](#) and set a science based target for your organisation

[Find out more about CDP's Water and Forest programs, as well as about the Supply Chain program](#)

Climate Change breakdown: category scores

Category scores provide one score for a group of questions with similar subject matter. They can be used to identify areas of strength and areas for improvement. **Please note that your category score will never be of a higher level than your overall score.**

Emissions Management

Measures the extent to which the company measures and manages its emissions

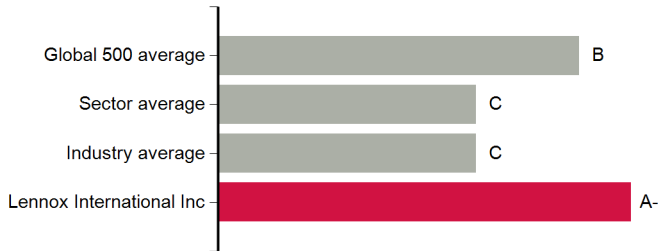


Emissions Management status

A Management level score in this section suggests the company has set medium- or long-term targets, is tracking its progress against goals and implementing emissions reduction activities to reach them. To reach Leadership status, the company could get its targets verified by the Science Based Target initiative.

Governance and Strategy

Measures the extent to which the company has policies and structures in place to actively manage climate change strategically



Governance and Strategy status

Achieving Leadership level in this section shows that the company has a sound business framework for climate change, utilizing best practices regarding where responsibility lies, what incentives are provided, how climate change is integrated in the business and how the company communicates about this. Additionally, this company interacts with its value chain on climate change issues.

Risk and Opportunity management

Measures the ability to comprehensively assess climate change related risks and opportunities



Risk and Opportunity Management status

A Leadership score in this section indicates that the organization has adopted best practices with regards to identifying and managing risks and opportunities related to climate change. A detailed risk management procedure is implemented and appropriate management actions are taken to address the risks and opportunities.

Verification

Measures the quality of the third party verification of emissions

Verification status

Lennox International Inc has submitted third party verification for Scopes I and II emissions, which met CDP Leadership criteria. Verification of emissions is best practice and gives the response more accuracy, demonstrating the credibility of emissions data reported.

Not all companies requested to respond to CDP do so. Companies who are requested to disclose their data and fail to do so, or fail to provide sufficient information to CDP to be evaluated will receive an F. An F does not indicate a failure in environmental stewardship.

Note: The following environmental data is supplemental to the environmental data summaries provided in LII's annual sustainability report available at:

<http://lennoxinternational.com/environment/SustainabilityReport.pdf>

Note: Environmental and Safety metrics reported in the annual sustainability report cover 100% of LII's worldwide operations.

Note: LII's safety metrics are reported annually in LII's sustainability report. The safety metrics reported in the sustainability report include hours and injuries for any full time, part time, temporary, and contractors that are directly supervised by a Lennox employee.

2016 Performance Summary

Metric	2024 Goal (2014 Baseline)	2016 Performance ⁽¹⁾	
		vs 2014 Baseline	vs 2015
Energy	↓25%	↓10%	↓4%
GHG Emissions	↓25%	↓13%	↑4%
Solid Waste	↓25%	↓12%	↓6%
Water	↓20%	↓17%	↓8%

(1) Revenue normalized (constant currency)

Progress for all metrics continues well ahead of goal pace

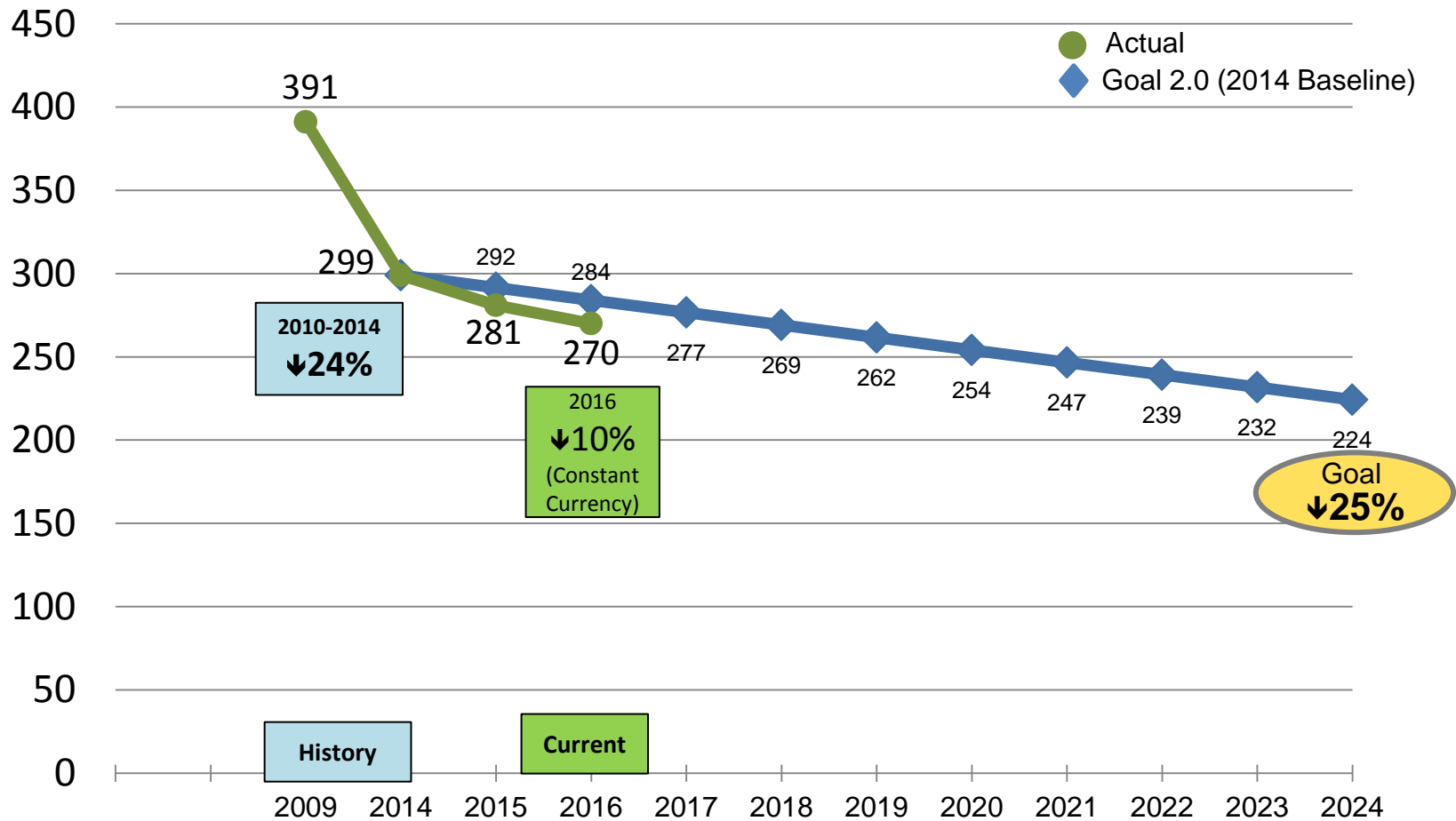
Absolute Performance Since 2009

Metric	Absolute Performance Since 2009
Energy	↑ 4%
GHG Emissions	↓ 51%
Solid Waste	↓ 33%
Water	↓ 71%

Strong absolute performance despite 44% revenue growth

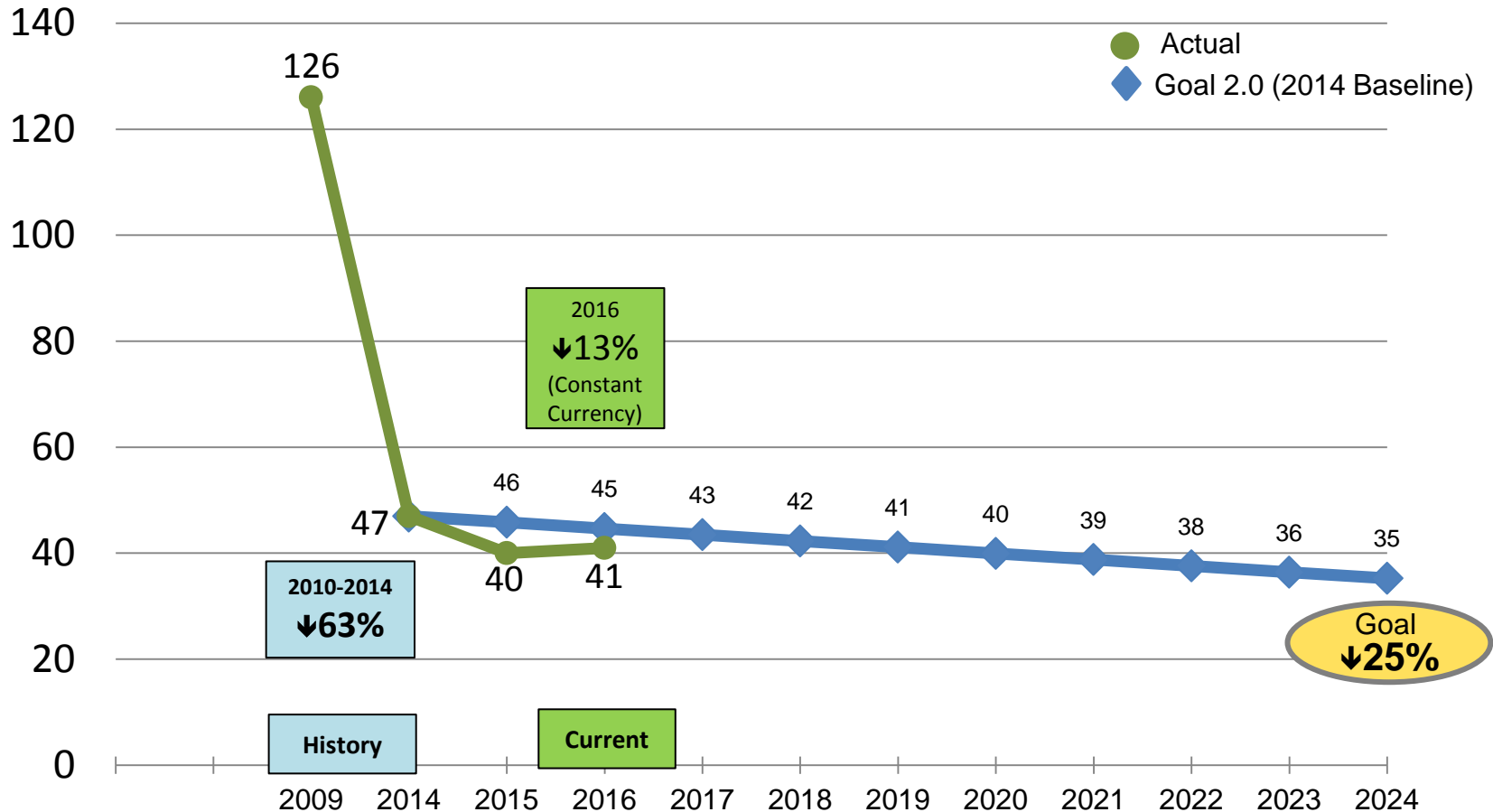
Energy Use (through 12/31/16)

(Gigajoules/\$Million in Revenue)



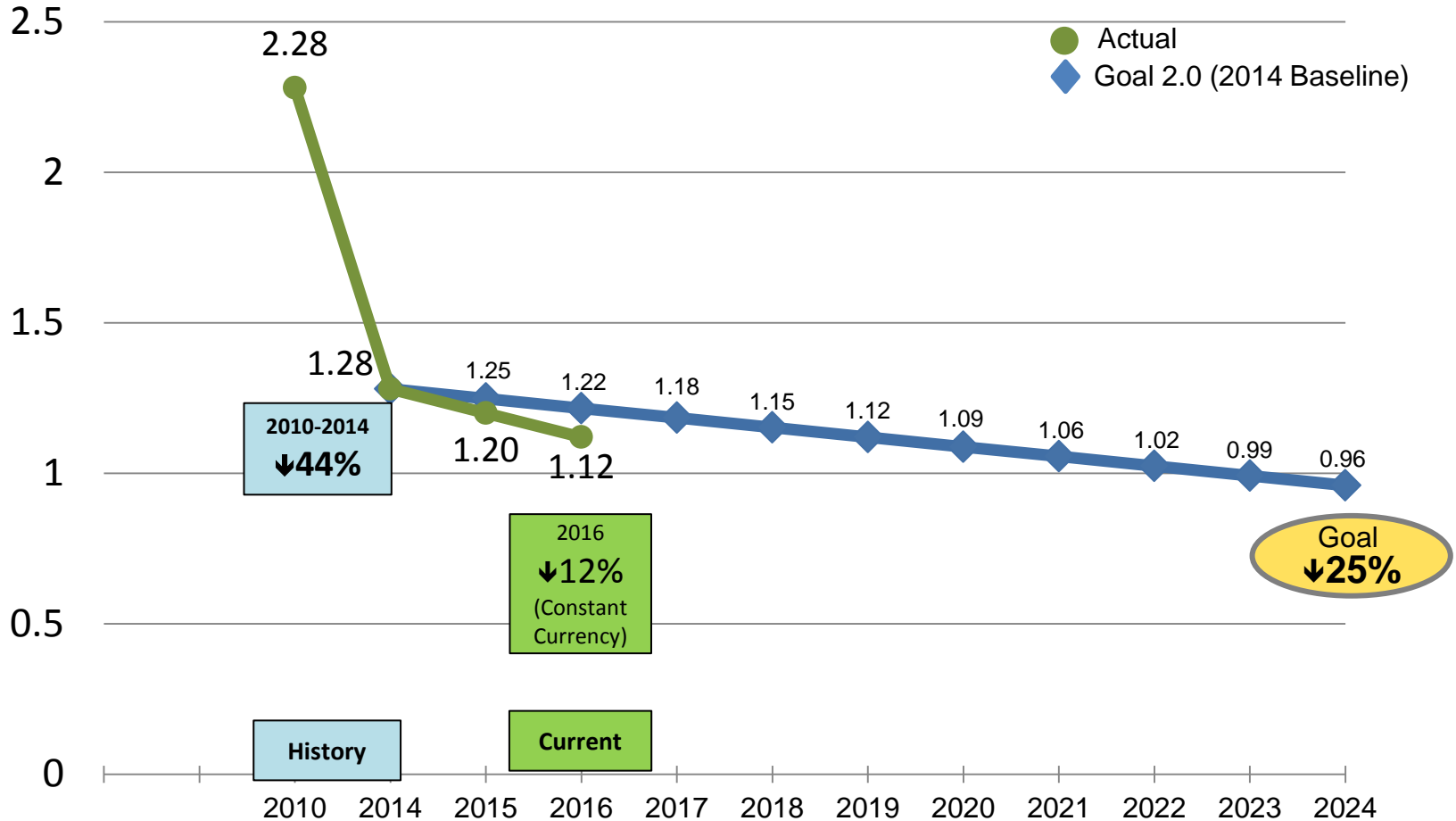
Greenhouse Gas Emissions (through 12/31/16)

(Metric Tons CO₂e/\$Million in Revenue)



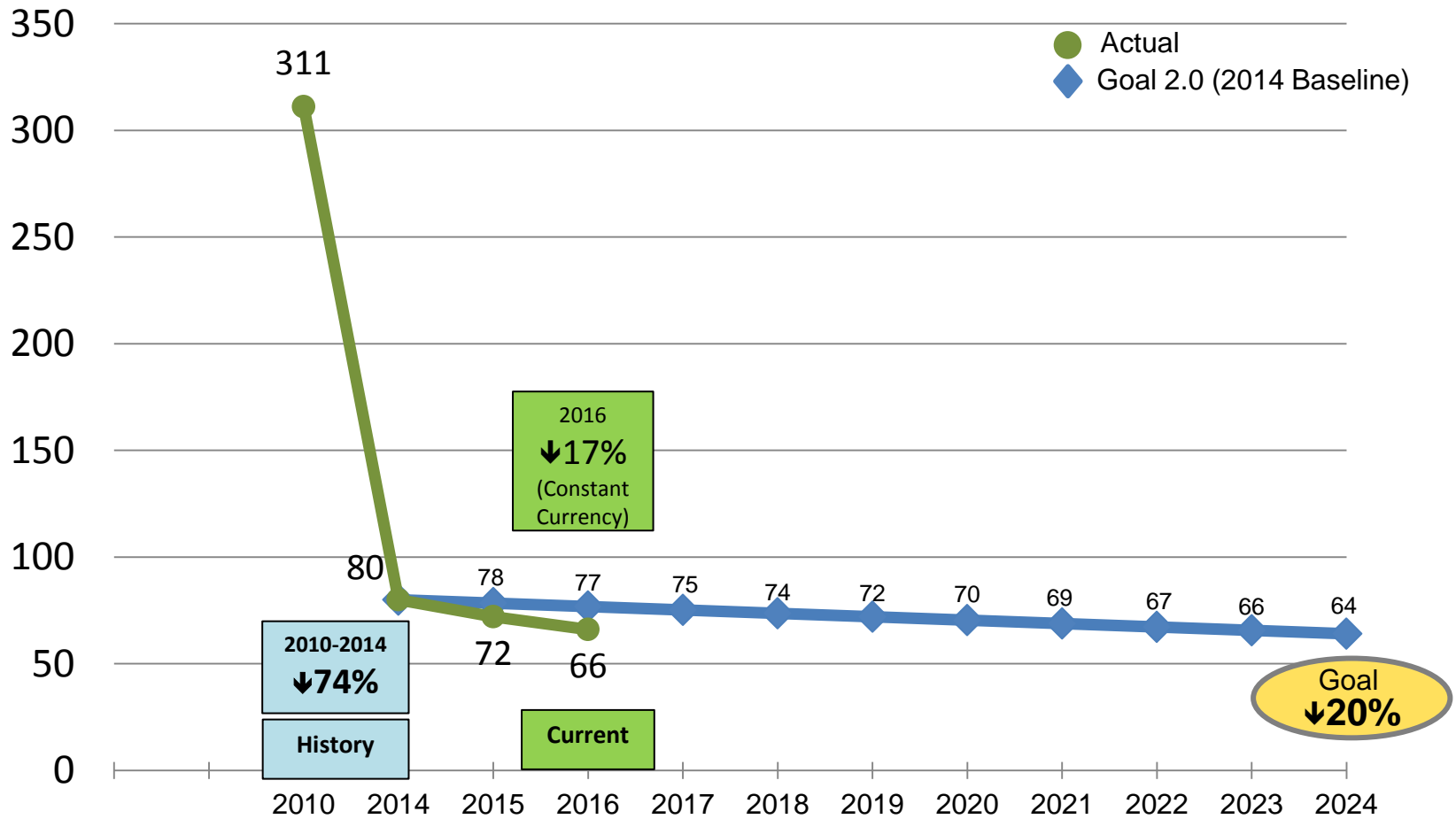
Solid Waste (through 12/31/16)

(Tons Solid Waste/\$Million in Revenue)



Water Use (through 12/31/16)

(Cubic Meters Water/\$Million in Revenue)



Environmental Management Systems

LII has extensive environmental management systems in place for its worldwide operations that addresses compliance and sustainability. The LII Environmental Affairs and Safety Departments have implemented systems to assure compliance, reduce LII's impact on the environment and LII has centralized IT systems to communicate compliance requirements and track all worldwide environmental compliance requirements to assure due dates are met. Additionally, LII conducts regular environmental and safety audits at all manufacturing locations worldwide.

Six of LII's 16 worldwide manufacturing locations are ISO 14001 certified

Three of LII's 16 worldwide manufacturing locations are OHSAS 18001 certified

One of LII's 16 worldwide manufacturing locations are ISO 50001 certified

Climate Change

LII reports annually to the CDP. LII's CDP 2017 rating for the 2016 reporting year was an "A-". LII's full report is publicly available at <https://www.cdp.net>.

Water Use

LII's 2016 worldwide total water use is listed by country below. The vast majority of water use is from public water supply systems. All LII water discharge worldwide is to publicly owned treatment works.

Country/Region	m ³
Australia	39,954
Brazil	13,108
Canada	1,288
China	3,988
France	5,440
Germany	1,169
Mexico	17,491
Spain	8,809
United States	158,566
Total	249,813